UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2011.

OR

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT**

For the transition period from _____ to _____

Commission File Number: 001-32188

ORAGENICS, INC.
(Exact name of small business issuer as specified in its charter)

FLORIDA	**59-3410522**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

3000 Bayport Drive, Suite 685
Tampa, Florida 33607
(Address of principal executive offices)

813-286-7900
(Issuer's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the proceeding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer, "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

As of July 31, 2011, there were 5,683,076 shares of Common Stock, $.001 par value, outstanding.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Oragenics, Inc.

Balance Sheets

	June 30, 2011 (Unaudited)	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	$ 0	132,103
Restricted cash	440,759	475,657
Accounts receivable, net	55,085	122,972
Income tax receivable	0	362,218
Inventory, net	500,564	266,628
Prepaid expenses and other current assets	122,642	139,883
Total current assets	1,119,050	1,499,461
Property and equipment, net	188,074	228,202
Total assets	$ 1,307,124	1,727,663
Liabilities and Shareholders' Deficit		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,611,284	1,514,885
Short term notes payable	65,626	98,906
Deferred revenue	115,594	13,188
Total current liabilities	1,792,504	1,626,979
Convertible revolving note payable to shareholder	4,500,000	2,000,000
Total liabilities	6,292,504	3,626,979
Shareholders' deficit:		
Preferred stock, no par value; 20,000,000 shares authorized; none issued and outstanding	0	0
Common stock, $0.001 par value; 15,000,000 shares authorized; 5,683,076 and 5,663,076 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	5,683	5,663
Additional paid-in capital	32,258,241	31,412,069
Accumulated deficit	(37,249,304)	(33,317,048)
Total shareholders' deficit	(4,985,380)	(1,899,316)
Total liabilities and shareholders' deficit	$ 1,307,124	1,727,663

See accompanying notes.

Oragenics, Inc.

Statements of Operations
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues, net	$ 347,569	$ 304,696	$ 697,506	$ 646,179
Cost of sales	328,817	127,420	423,794	326,321
Gross profit	18,752	177,276	273,712	319,858
Operating expenses:				
Research and development	631,363	465,472	1,044,264	909,838
Selling, general and administrative	1,691,763	1,720,995	3,049,209	3,167,626
Total operating expenses	2,323,126	2,186,467	4,093,473	4,077,464
Loss from operations	(2,304,374)	(2,009,191)	(3,819,761)	(3,757,606)
Other income (expense):				
Interest income	200	646	377	2,535
Interest expense	(67,679)	(885)	(111,460)	(885)
Local business tax	(1,390)	(792)	(1,412)	(1,465)
Total other income (expense), net	(68,869)	(1,031)	(112,495)	185
Loss before income taxes	(2,373,243)	(2,010,222)	(3,932,256)	(3,757,421)
Net loss	$(2,373,243)	$(2,010,222)	$(3,932,256)	$(3,757,421)
Basic and diluted net loss per share	$ (0.42)	$ (0.37)	$ (0.69)	$ (0.70)
Shares used to compute basic and diluted net loss per share	5,683,076	5,407,557	5,675,342	5,398,942

See accompanying notes.

Oragenics, Inc.

Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30	
	2011	**2010**
Cash flows from operating activities:		
Net loss	$(3,932,256)	$(3,757,421)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	40,128	23,178
Stock-based compensation expense	846,192	461,071
Non-cash services paid in common stock	0	75,000
Changes in operating assets and liabilities:		
Accounts receivable, net	67,887	(10,727)
Income tax receivable	362,218	0
Inventory, net	(233,936)	(284,362)
Prepaid expenses and other current assets	66,229	10,910
Accounts payable and accrued expenses	96,399	200,525
Deferred revenue	102,406	496
Net cash used in operating activities	(2,584,733)	(3,281,330)
Cash flows from investing activities:		
Purchase of property and equipment, net	0	(6,198)
Net cash used in investing activities	0	(6,198)
Cash flows from financing activities:		
Borrowings under short term notes payable	0	50,637
Borrowings under convertible revolving note payable to shareholder	2,500,000	1,000,000
Payments on short term notes payable	(82,268)	(55,267)
Net proceeds from issuance of common stock	0	500,000
Restricted cash released from common stock proceeds	34,898	1,707,318
Net cash provided by financing activities	2,452,630	3,202,688
Net decrease in cash and cash equivalents	(132,103)	(84,840)
Cash and cash equivalents at beginning of the period	132,103	301,592
Cash and cash equivalents at end of the period	$ 0	$ 216,752
Supplemental disclosure of cash flow information		
Interest paid	$ 2,950	$ 18,377
Non-cash investing and financing activities:		
Borrowing under short term notes payable for prepaid expense	$ 48,988	$ 0
Par value of restricted stock granted as stock compensation	$ 20	$ 0

See accompanying notes.

Oragenics, Inc.

Notes to Financial Statements
(Unaudited)

1. Organization and Significant Accounting Policies

The Company

Oragenics, Inc. (formerly known as Oragen, Inc.) (the "Company" or "we") was incorporated in November 1996; however, operating activity did not commence until 1999. The Company is focused on the discovery, development and commercialization of a variety of technologies associated with oral health, broad spectrum antibiotics and other general health benefits.

Basis of Presentation

The accompanying unaudited condensed financial statements as of June 30, 2011 and December 31, 2010 (audited) and for the three and six months ended June 30, 2011 and 2010 have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the accompanying financial statements include all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the financial condition, results of operations and cash flows for the periods presented. The results of operations for the interim period June 30, 2011 are not necessarily indicative of the results that may be expected for the year ended December 31, 2011 or any future period.

These financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2010, which are included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 30, 2011. The Company expects to incur substantial expenditures to further develop each of its technologies and that it believes its working capital, together with access to the recently amended Credit Facility with the Koski Family Limited Partnership will be sufficient to meet the business objectives as presently structured through December 2011. Management recognizes that the Company must generate additional capital resources or consider modifications to its technology development plans to enable it to continue as a going concern. Management's plans include seeking financing, alliances or other partnership agreements with entities interested in the Company's technologies, or other business transactions that would generate sufficient resources to assure continuation of the Company's operations and research and development programs.

The Company intends to seek additional funding through sublicensing arrangements, joint venturing or partnering, sales of rights to technology, government grants and public or private financings. The Company's future success depends on its ability to raise capital and ultimately generate revenue and attain profitability. The Company cannot be certain that additional capital, whether through selling additional debt or equity securities or obtaining a line of credit or other loan, will be available to it or, if available, will be on terms acceptable to the Company. If the Company issues additional securities to raise funds, these securities may have rights, preferences, or privileges senior to those of its common stock, and the Company's current shareholders may experience dilution. If the Company is unable to obtain funds when needed or on acceptable terms, the Company may be required to curtail their current development programs, cut operating costs and forego future development and other opportunities. Without sufficient capital to fund their operations, the Company will be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

New Accounting Pronouncements

In April 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-02 *A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring* for the purpose of measuring the impairment of old receivables and evaluating whether a troubled debt restructuring has occurred. An entity should disclose the total amount of receivables and the allowances for credit losses as of the end of the period of adoption related to those receivables that are considered newly impaired under Accounting Standards Codification ("ASC") Section 310-10-35 for which impairment was previously measured under ASC Subtopic 450-20, *Contingencies – Loss Contingencies*. The ASU is effective for the Company with the reporting period beginning July 1, 2011. The adoption of this ASU is not expected to have an impact on the Company's financial statements or disclosures.

In May 2011, the FASB issued ASU 2011-04 *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The ASU expands ASC 820's existing disclosure requirements for fair value measurements and makes other amendments that could change how the fair value measurement guidance in ASC 820 is applied. The ASU is effective for the Company with the reporting period beginning January 1, 2012. The adoption of this ASU is not expected to have an impact on the Company's financial statements or disclosures.

No other new accounting pronouncements issued or effective during 2011 have had or are expected to have an impact on the Company's financial statements

Revenue Recognition

We recognize revenues from the sales of product when title and risk of loss pass to the customer, which is generally when the product is shipped. Grant revenues are recognized as the reimbursable expenses are incurred over the life of the related grant. Grant revenues are deferred when reimbursable expenses have not been incurred.

We record allowances for discounts and product returns at the time of sales as a reduction of revenues as such allowances can be reliably estimated based on historical experience or known trends. Product returns are limited to specific mass retail customers for expiration of shelf life or unsold product over a period of time. We maintain a return policy that allows our customers to return product within a specified period of time prior to and subsequent to the expiration date of the product. Our estimate of the provision for returns is analyzed quarterly and is based upon many factors, including industry data of product return rates, historical experience of actual returns, analysis of the level of inventory in the distribution channel, if any, and reorder rates. If the history or our product returns changes, the reserve will be adjusted. While we believe that the reserves we have established are reasonable and appropriate based upon current facts and circumstances, applying different judgments to the same facts and circumstances would result in the estimated amounts for sales returns and chargeback's to vary. Because our ProBiora3 products have only recently been introduced, we could experience different circumstances in the future and these differences could be material.

Reverse Stock Split

On September 24, 2010, the Company effected a 1-for-20 reverse stock split of all of our authorized, issued and outstanding shares of common stock (the "Reverse Stock Split") by filing Articles of Amendment to Amended and Restated Articles of Incorporation with the Secretary of State of Florida. The par value of our common stock remained unchanged. The number of shares and per share amounts included in the financial statements and the accompanying notes for the three and six months ended June 30, 2010 have been retroactively adjusted to reflect the Reverse Stock Split. Unless otherwise indicated, all references to number of shares, per share amounts and earnings per share information contained in this report give effect to the Reverse Stock Split.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The principal areas of estimation reflected in the financial statements are stock based compensation, valuation of warrants, inventory obsolescence reserve, sales returns and allowances and allowance for doubtful accounts.

Fair Value of Financial Instruments

The fair value of the Company's cash and cash equivalents, accounts payable and accrued expenses approximate their carrying values due to their short-term nature. Convertible notes payable to shareholder are at prevailing interest rates.

Guaranteed Rights of Return

The Company has granted guaranteed rights of return on four mass retail and distributor customer accounts. The Company defers recognition of revenue on these accounts until the customer provides notification to the Company that the product has been sold to the end consumer. Once notification has been received and verified, the Company records revenue in that accounting period. The Company had $30,035 and $0 of revenue deferred under guaranteed rights of return arrangements included in deferred revenue in the balance sheets as of June 30, 2011 and December 31, 2010, respectively.

Inventory

Inventories are stated at the lower of cost or market. Cost, includes material, labor and overhead and is determined on a first-in, first-out basis. On a quarterly basis, management analyzes the inventory levels and reserve for inventory that is expected to expire prior to being sold, inventory that has a cost basis in excess of its expected net realizable value, inventory in excess of expected sales requirements, or inventory that fails to meet commercial sale specifications. Expired inventory is disposed of and the related costs are written off to the reserve for inventory obsolescence. The inventory reserve was $167,614 and $255,814 as of June 30, 2011 and December 31, 2010, respectively.

Consigned Inventory

The Company has authorized a consignment inventory arrangement with one of its remaining mass retail customers. The Company has inventory on consignment located at the retailers' stores and warehouses of $53,409 and $64,999 that has been fully reserved against as of June 30, 2011 and December 31, 2010, respectively as a result of our intent to withdraw from the mass retail market. Once consignment inventory has been sold by this customer, the customer notifies the Company of the sale and the Company records revenue for the sale in the accounting period in which it occurred. The Company authorizes the replenishment of consignment inventory based on orders placed by the customer. The Company is provided with weekly reports of consignment sales activity and balances.

2. Net Loss Per Share

During all periods presented, the Company had securities outstanding that could potentially dilute basic earnings per share in the future, but were excluded from the computation of diluted net loss per share, as their effect would have been antidilutive. Because the Company reported a net loss for all periods presented, shares associated with the convertible revolving note payable, stock options and warrants are not included because they are antidilutive. Basic and diluted net loss per share amounts are the same for the periods presented. Net loss per share is computed using the weighted average number of shares of common stock outstanding.

3. Supplier Concentrations

The Company is dependent on three key suppliers to provide probiotics, blending and packaging of it's EvoraPlus, EvoraPlus Kids, EvoraPro, and Teddy's Pride products. The majority of cost of sales is from these key suppliers. As of June 30, 2011 and December 31, 2010, our accounts payable and accrued expenses for these suppliers totaled $241,958 and $107,980, respectively.

4. Stock Options

On March 11, 2011, the Company issued 20,000 stock options to Mr. Brian Bohunicky, our Chief Financial Officer under the Company's Amended and Restated 2002 Stock Option and Incentive Plan, as amended (the "Plan"). These options vest equally over a three year period from the date of grant and are exercisable at $3.60 per share, the close market price of the Company's common stock on the date of grant.

On May 25, 2011, the Company issued 125,800 stock options to Dr. John Bonfiglio, our Chief Executive Officer under the Plan. These options are exercisable at $4.76 per share, the closing market price of the Company's common stock on the date of the grant. Of the options granted 78,625 vest immediately and are exercisable over ten years. The remaining 47,175 options vest at an even amount over the next three years on the anniversary date of grant.

On May 13, 2011 the Board of Directors and Compensation Committee awarded 50,000 stock options to each of the independent members of the Board of Directors: Mr. Charles Pope, Dr. Alan Dunton and Dr. Fred Telling. Of the options granted 75,000 vested immediately and the remaining 75,000 vest on the anniversary date of grant and are exercisable at $5.00 per share, the closing market price of the Company's common stock on the date of the grant.

From January 1, 2011 to the date of this filing 125,925 stock options previously granted have vested and 104,038 have been forfeited. Stock option compensation expense of $700,263 and $816,270 was recorded for the three and six months ended June 30, 2011 compared to $266,863 and $461,071 for the three and six months ended June 30, 2010, respectively, and is a non-cash expense. This amount is included in research and development and selling, general and administrative expenses in the accompanying statements of operations.

5. Restricted Common

On March 11, 2011, our Board of Directors and Compensation Committee awarded 10,000 shares of restricted common (non-vested shares) stock to each of Mr. Brian Bohunicky, our Chief Financial Officer and to Mr. Robert Koski, our director at a grant date fair value of $3.60 per share. The shares were awarded under the Company's Plan. Half of the awarded shares vest in six (6) months and the other half on the anniversary date of the award. Stock compensation expense of $27,000 and $29,922 was recorded for the three and six months ended June 30, 2011, respectively and is a non-cash expense. This amount is included in selling, general and administrative expenses in the accompanying statement of operations. At June 30, 2011, 20,000 shares of restricted common stock are non-vested. At June 30, 2011, there was $42,078 of total unrecognized compensation expense related to non-vested restricted common stock that is expected to be recognized over a period of one year.

6. Short Term Notes Payable

On July 9, 2010, the Company entered into a non-interest bearing short-term note payable for $22,188 to finance a portion of our new enterprise resource planning system. Quarterly payments on this note began July 9, 2010 and the final payment was made on April 1, 2011.

On July 20, 2010, the Company entered into a short-term note payable for $63,835 with an interest rate of 5.75% to finance directors and officers' liability insurance. Payments on this note began on August 24, 2010 and were made evenly based upon a straight line amortization over ten-month period and the final payment was made on May 25, 2011.

On July 31, 2010, the Company entered into a short-term note payable for $85,185 bearing interest at 7.5% to finance a portion of the new enterprise resource planning system. Principal and interest payments on this note began August 31, 2010 and are made evenly based on a straight line amortization over a 17-month period with the final payment due on December 31, 2011. At June 30, 2011 and December 31, 2010, the balance due was $31,101 and $61,060, respectively.

On March 10, 2011, the Company entered into a short-tem note payable for $48,988 bearing interest at 5.48% to finance a portion of the product liability insurance. Principal and interest payments on this note began April 10, 2011 and are made evenly based on a straight line amortization over a 10-month period with the final payment due on January 10, 2012. At June 30, 2011, the balance due was $34,525.

7. Convertible Revolving Note Payable to Shareholder

On June 29, 2011, the Company entered into a Third Amendment (the "Third Amendment") to its unsecured convertible revolving credit facility agreement with the Koski Family Limited Partnership (the "KFLP") (the "Credit Facility"). As a result of the Third Amendment, the Company increased its availability under the Credit Facility by $2,000,000 from $5,000,000 to $7,000,000. Future draws of the $2,000,000 in increased availability provided by the Third Amendment to the Credit Facility are limited to $1,000,000 increments beginning no earlier than August 2011 and October 2011, respectively. All other terms of the Credit Facility remained the same including the interest rate at LIBOR plus 6.0% and the automatic conversion of any amounts borrowed and outstanding under the Credit Facility into Company securities that may be issued by the Company in subsequent securities offerings. Any automatic conversion of amounts outstanding under the Credit Facility would be on the same terms of any such offering. In addition, the Amendment provides the KFLP with the right to put any undrawn available amounts under the Credit Facility, as amended, to the Company and thereby have a note issued to the KFLP. The KFLP can exercise its put right to the extent it desires to fully participate, through the automatic conversion provision, in any subsequent offering by the Company.

8. Outstanding Warrants and Stock Options

As of the date of this filing there are approximately 306,388 warrants outstanding and there are approximately 576,598 outstanding stock options that have been granted that have not been forfeited. The total number of outstanding warrants and unexercised stock options is 882,985. If all warrants and stock options were exercised, the total number of outstanding shares would be 6,566,062.

9. Subsequent Events

On July 8, 2011, the Company borrowed an additional $500,000 under the Credit Facility, as amended and executed a revolving unsecured promissory note (the "July 2011 Promissory Note") in such amount in favor of the KFLP. The July 2011 Promissory Note matures on July 30, 2012 (see Note 7).

On July 12, 2011, the Company entered into a short-tem note payable for $77,751 bearing interest at 4.75% to finance a portion of the directors and officers' liability insurance. Principal and interest payments on this note begin August 24, 2011 and are made evenly based on a straight line amortization over a 11-month period with the final payment due on June 24, 2012.

On August 1, 2011, the Company borrowed an additional $1,000,000 under the Credit Facility, as amended and executed a revolving unsecured promissory note (the "August 2011 Promissory Note") in such amount in favor of the KFLP. The August 2011 Promissory Note matures on July 30, 2012 (see Note 7).

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with the Financial Statements, including the notes thereto, included elsewhere in this Form 10-Q.

Forward-Looking Statements

This 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include statements regarding, among other things, (a) our need for and availability of working capital, (b) our financing plans, (c) our strategies, (d) our projected sales and profitability, (e) anticipated trends in our industry. Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," or "project" or the negative of these words or other variations on these words or comparable terminology. This information may involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements. These statements may be found under "Management's Discussion and Analysis or Plan of Operation" and "Business," as well as in this 10-Q generally. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under "Risk Factors" in our Form 10-K and in this 10-Q. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. In addition to the information expressly required to be included in this filing, we will provide such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading.

Overview

We are a probiotic nutraceutical company focused on the development of oral health products for humans and pets. Within oral health, we are developing our biopharmaceutical product candidate, SMaRT Replacement Therapy, and we are commercializing our oral probiotic blend, ProBiora3. We are also seeking to develop novel antibiotics, through our pharmaceutical product candidate, MU1140-S, and we intend to use our patented, novel organic chemistry platform to create additional antibiotics for therapeutic use.

Our SMaRT Replacement Therapy product candidate is designed to be a painless, one-time, five-minute topical treatment applied to the teeth that has the potential to offer lifelong protection against dental caries, or tooth decay. Our SMaRT Replacement Therapy is based on the creation of a genetically modified strain of bacteria that colonizes in the oral cavity and replaces native bacteria that cause tooth decay. We commenced a second Phase 1 clinical trial for SMaRT Replacement Therapy which we expect to conclude in second half of 2011.

We have also developed and are commercializing a variety of products that contain the active ingredient ProBiora3, a patented blend of oral probiotics that promote fresher breath, whiter teeth and support overall oral health. We have conducted extensive scientific studies on ProBiora3 in order to market our products under self-affirmed Generally Recognized As Safe status, or GRAS. We sell our ProBiora3 products through multiple distribution channels.

While developing SMaRT Replacement Therapy, members of our scientific team discovered that the SMaRT bacterial strain produces MU1140, a molecule belonging to the novel class of antibiotics known as lantibiotics. MU1140 has proven active preclinically against Gram positive bacteria responsible for a number of HAIs. We are in the process of scaling up production of our synthetic form of MU1140, or MU1140-S, and expect to commence preclinical testing and to file an Investigational New Drug, or IND, application with the FDA in 2012 as our capital resources permit. The key technology behind the production of MU1140-S is our Differentially Protected Orthogonal Lanthionine Technology platform, or DPOLT, which is a patented, novel organic chemistry platform that we believe will enable the first ever commercial scale, cost-effective production of any of the 50 known lantibiotics. We intend to use DPOLT to create a pipeline of lantibiotics for therapeutic use. Additionally, we are developing non-core technologies that originated from the discoveries of our scientific team, including LPT3-04, which is a weight loss product, and PCMAT, which is a biomarker discovery platform, both of which we believe could provide significant potential opportunities for us. We will commence a clinical trial study in third quarter of 2011 to determine the effectiveness of LPT3-04 weight loss product and expect to have results in the fourth quarter of 2011.

We were incorporated in November 1996 and commenced operations in 1999. We consummated our initial public offering in June 2003. We have devoted substantially all of our resources to the commercialization of our ProBiora3 products as well as our discovery efforts comprising research and development, clinical trials for our product candidates, protection of our intellectual property and the general and administrative support of these operations. We have generated limited revenues from grants and ProBiora3 product sales through June 30, 2011, and have principally funded our operations through the sale of debt and equity securities, including the exercise of warrants issued in connection with these financing transactions. Prior to 2008 our revenues were derived solely from research grants. Since 2008, our revenues have also included sales of our ProBiora3 products, which we initiated in late 2008. Our net revenues were $697,506 and $646,179 for the six months ended June 30, 2011 and 2010, respectively, and $1,308,910 for the year ended December 31, 2010.

We have never been profitable and, as of June 30, 2011, we had an accumulated deficit of $37,249,304. We incurred net losses of $3,932,256 and $3,757,421 for the six months ended June 30, 2011 and 2010, respectively, and $7,805,165 for the year ended December 31, 2010 and we currently do not have sufficient capital to fund our operations beyond December 2011. We expect to incur significant and increasing operating losses for the foreseeable future as we seek to advance our product candidates through preclinical testing and clinical trials to ultimately obtain regulatory approval and eventual commercialization. We are continuing our efforts to seek additional capital. Adequate additional funding may not be available to us on acceptable terms, or at all. We expect that research and development expenses will increase along with general and administrative costs, as we grow and operate our business. There can be no assurance that additional capital will be available to us on acceptable terms, if at all.

Recent Developments

Organization:

As previously disclosed, effective May 25, 2011, the Board of Directors approved the appointment of John N. Bonfiglio Ph.D. as our new President and Chief Executive Office. The Board of Directors also expanded the size of the Board to seven members and Dr. Bonfiglio was appointed to the newly created vacancy to serve as a member of the Board.

Sales & Marketing:

We have continued our efforts to broaden the distribution of our ProBiora3 products through the following business development activities:

Exhibitions:

- Supply Side East: From May 2-4, 2011, we exhibited Probiora 3 to more that 3,000 global food and beverage, cosmetic and personal care, and dietary supplement executive from around the world.
- American Academy of Cosmetic Dentistry Annual Conference: From May 18-21, 2011, we exhibited EvoraPro to more than 2,000 dental professionals from around the world.

Financing:

On June 29, 2011, the Company entered into a Third Amendment (the “Third Amendment”) to its unsecured convertible revolving credit facility agreement with the Koski Family Limited Partnership (the “KFLP”) (the “Credit Facility”). As a result of the Third Amendment, the Company increased its availability under the Credit Facility by $2,000,000 from $5,000,000 to $7,000,000. Future draws of the $2,000,000 in increased availability provided by the Third Amendment to the Credit Facility are limited to $1,000,000 increments beginning no earlier than August 2011 and October 2011, respectively. All other terms of the Credit Facility remained the same.

During the quarter we drew down $500,000 each month on the Credit Facility. In addition, we drew down $500,000 in July and $1,000,000 in August and with these borrowings included , we have an aggregate of $6,000,000 outstanding and owed under the Credit Facility, as amended and $1,000,000 of remaining availability. We expect to continue to need to draw down on the Credit Facility while we seek to raise additional capital.

Research & Development:

On April 21, 2011, we announced that the U.S. Patent and Trademark Office issued a patent notification (number 7931892) for ProBiora3® our proprietary blend of naturally occurring oral bacteria strain to produce a range of oral care benefits. The U.S. Patent and Trademark Office issued the patent on April 26, 2011.

We completed the Institution phase and six week follow-up for two pairs of subjects in our second phase 1 SMaRT Replacement Therapy clinical trial. We expect our clinical trial testing to continue once we enroll the required number of additional pairs of subjects in the Institutional phase. We expect to conclude our second phase 1 clinical trial in the second half of 2011.

We have moved forward with our efforts to begin a clinical trial study of our weight loss product (LPT3-04). We have developed and ordered the weight loss food products in the second quarter of 2011 to be used in a blinded placebo-controlled study to begin in the third quarter of 2011. We have submitted a patent application for the use of LPT3-04 for weight regulation with the United States Patent and Trademark Office, or U.S. PTO. LPT3-04 is a naturally occurring compound, which is normally consumed in the human diet in small amounts. In the course of our SMaRT Replacement Therapy research, we discovered that consumption of significantly larger amounts of LPT3-04 resulted in dose-dependent weight loss in experimental animal models. The mechanism of action appears to be induction of apoptosis, or programmed cell death, specifically in white fat cells. LPT3-04 consumption in the required amounts has been shown to be safe in humans. Anecdotally, weight loss has been observed in human volunteers. Due to the natural sweetness of LPT3-04 and the relatively large amounts of it that need to be consumed on a daily basis to achieve the desired weight loss effect, current product development efforts are focused on incorporating the compound into bars, shakes, and other food products.

We are impacted by various trends and uncertainties, including the uncertainty associated with the availability of sufficient capital resources to execute our plans and conduct our operations. During the first quarter we changed our mass retail strategy because our available capital resources currently limit our ability to engage in significant advertising and marketing campaigns. Following our previously announced withdrawal from Rite Aid and GNC, we have notified our remaining mass retail customers of our intent to withdraw from their stores over the next several months and have agreed on various transition plans with each customer. Our current sales strategy is focused on growth through direct-to-consumer, professional offices, private label, international distribution and licensing channels. We continue to seek to enter into agreements that provide us with increased access into these channels. We believe that such efforts will lead to improved sales growth throughout the balance of the year. Our recently announced ProBiora3 patent provides immediate opportunities in global private label and licensing opportunities in major product categories such as food and beverage, health and wellness, pet care and nutrition. Product suppliers in these categories, ranging from those with well established brands to newer market entrants, will be able to achieve newfound product differentiation with ProBiora3, as its beneficial characteristics provide a meaningful value added benefit to consumers.

Package and Delivery Transition

We are continually attentive to the needs of the market and ultimate consumers regarding the use of our ProBiora3 products and as such continue to seek ways to revise and improve on our product delivery mechanisms. For example, we have changed from a blister pack of 60 tablets to a bottled container of 30 tablets to be taken once daily (as opposed to twice daily) for our consumer EvoraPlus, EvoraKids and EvoraPro products based on our understanding of customer preferences. We have added a 30 day container supply of our EvoraPet product to our current 60 day container supply. We are continuing to implement these improvements and expect the changes in delivery mechanisms or packaging to result in increased expenses in future periods while the change is being implemented. At the same time, we believe these improvements will result in lowering our product costs and provide the potential for increased sales in future periods. As of June 30, 2011, we have reserves for inventory in the amount of $167,614 and sales returns in the amount of $201,957 to replace our existing inventory and customer held inventory as a result of this change.

Financial Overview

Net Revenues

Our revenues prior to 2008 consisted exclusively of grant funding from government agencies under the National Science Foundation's, or NSF, and National Institutes of Health's, or NIH, Small Business Innovation Research, or SBIR, grants. Since the initial launch of our ProBiora3 products in late 2008, our net revenues have included sales of our ProBiora3 products. Sales of our ProBiora3 products were $595,317 and $521,115 for the six months ended June 30, 2011 and 2010, respectively. Because of our efforts to increase the distribution of our ProBiora3 products, we expect net revenues to increase in the future. However, our success will depend on a number of factors, including our marketing efforts related to our ProBiora3 products.

We expect that our revenues will fluctuate from quarter to quarter as a result of the volume of sales of our products and the amount of license fees, research and development reimbursements, milestone and other payments we may receive upon any license or strategic partnerships we may enter into in the future.

Cost of Goods Sold

Our cost of goods sold includes the production and manufacture of our ProBiora3 products, as well as shipping and processing expenses and scrap expense. Scrap expense represents product rework charges, inventory adjustments, inventory replacement reserves, and damaged inventory. We expect our costs of goods sold to increase as we implement our packaging and delivery mechanism changes and expand our distribution and sales efforts for our ProBiora3 products.

Research and Development Expenses

Research and development consists of expenses incurred in connection with the discovery and development of our product candidates. These expenses consist primarily of employee-related expenses, which include salaries and benefits and attending science conferences; expenses incurred under agreements with contract research organizations, investigative sites and consultants that conduct our clinical trials and a substantial portion of our preclinical studies; the cost of acquiring and manufacturing clinical trial materials; facilities, depreciation and other allocated expenses, which include direct and allocated expenses for rent and maintenance of facilities and equipment, and depreciation of fixed assets; license fees for and milestone payments related to in-licensed products and technology; stock-based compensation expense; and costs associated with non-clinical activities and regulatory approvals. We tracked development expenses and personnel expense on a project-by-project basis and have allocated common expenses, such as scientific consultants and lab supplies, to each program based on the personnel resources allocated to each program. We expense research and development costs as incurred.

Our research and development expenses can be divided into (i) clinical research and development, and (ii) preclinical research and development activities. Clinical research and development costs consist of clinical trials, manufacturing services, regulatory activities and related personnel costs, and other costs such as rent, utilities, depreciation and stock-based compensation. Preclinical research and development costs consist of our research activities, preclinical studies, related personnel costs and laboratory supplies, and other costs such as rent, utilities, depreciation and stock-based compensation. While we are currently focused on advancing each of our product development programs, our future research and development expenses will depend on the clinical success of each product candidate, as well as ongoing assessments of each product candidate's commercial potential. In addition, we cannot forecast with any degree of certainty which product candidates may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements. We plan to increase our research and development expenses for the foreseeable future as we seek to advance the development of our SMaRT Replacement Therapy and MU1140-S product candidates, and to further advance our earlier stage research and development projects, such as LPT3-04, our potential weight loss product, and PCMAT, our biomarker discovery platform.

We expect our research and development expenses to increase in the future as we continue the advancement of our clinical trials and preclinical product development programs. The lengthy process of completing clinical trials and seeking regulatory approval for our product candidates requires expenditure of substantial resources. Any failure or delay in completing clinical trials, or in obtaining regulatory approvals, could cause a delay in ultimately being able to generate product revenues and cause our research and development expenses to increase and, in turn, have a material adverse effect on our operations. Our current product development candidates are not expected to be commercially available before the end of 2011.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist principally of salaries and related costs for personnel in executive, finance, business development, marketing, information technology, legal and human resources functions. Other general and administrative expenses include facility costs not otherwise included in research and development expenses, patent filing, prosecution and defense costs and professional fees for legal, consulting, auditing and tax services. We anticipate that our general and administrative expenses will increase for, among others, the following reasons:

- the sales and marketing of our ProBiora3 products;
- to support our research and development activities, which, subject to available capital, we expect to expand as we continue the development of our product candidates;
- the efforts we undertake from, time to time, to raise additional capital; and
- the increased payroll, expanded infrastructure and higher consulting, legal, accounting and investor relations costs associated with being a public company.

Other Income (Expense)

Other income (expense) includes local business taxes as well as interest income and expense. Interest income consists of interest earned on our cash and cash equivalents. The primary objective of our investment policy is capital preservation. Interest expense consists primarily of interest and costs associated with our convertible revolving note payable to shareholder and short term notes payable.

Income Taxes

As of December 31, 2010, we had federal and state net operating loss carryforwards and research and development tax credit carryforwards of approximately $30,150,000. Our net operating loss and research and development tax credit carryforwards will expire, if not used, by 2031. Our ability to utilize our net operating loss and tax credit carryforwards may be limited in the event a change in ownership, as defined in Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, has occurred or may occur in the future. The private placement transaction with the KFLP in June 2009 (the "June 2009 Private Placement") constituted such an event and our historical loss carryfowards were limited. In each period since our inception, we have recorded a 100% valuation allowance for the full amount of our deferred tax asset, as the realization of the deferred tax asset is uncertain. As a result, we have not recorded any federal tax benefit in our statements of operations.

Results of Operations

For the Three Months Ended June 30, 2011 and 2010

Net Revenues. We generated net revenues of $347,569 for the three months ended June 30, 2011 compared to $304,696 for the three months ended June 30, 2010. Our ProBiora3 revenues increased from Q2 2010 due to increased international Teddy's Pride sales but were partially off-set by decreased grant revenues of $31,833 attributable to an NSF SBIR Phase II grant for the small peptide antibiotic synthesis program using our proprietary Differentially Protected Orthogonal Lanthionine Technology "DPOLT".

Cost of Goods Sold. Cost of goods sold increased by $201,397 to $328,817 for the three months ended June 30, 2011 compared to $127,420 for the three months ended June 30, 2010. This increase was primarily attributable to increased scrap expense of $167,617 as a result of product transition costs compared to the three months ended June 30, 2010, respectively and increased sales of our ProBiora3 products.

Research and Development. Research and development expenses were $631,363 for the three months ended June 30, 2011 compared to $465,472 for the three months ended June 30, 2010, an increase of $165,891 or 36%. This increase in research and development expenses was primarily due to increased clinical trial costs of $205,780 associated with the commencement of our second phase 1 clinical trial for our SMaRT Replacement Therapy and for expenses associated with our potential weight loss product (LPT3-04) clinical trials. This amount was off-set by a reduction in consulting fees.

Selling, General and Administrative. Selling, general and administrative expenses were $1,691,763 for the three months ended June 30, 2011 compared to $1,720,995 for the three months ended June 30, 2010; a decrease of $29,232 or 2%. This decrease was due to reduced consulting fees of $128,240 as a result of cost cutting actions taken in the latter half in 2010, advertising and marketing expense savings of $337,069 due to the withdrawal from the mass retail channel in the first quarter of 2011, and accounting and professional support service fee savings of $126,252. These general and administrative expense savings were partially off-set by increased independent Board of Director costs of $359,090 as a result of stock option grants, increased employee stock option expense of $161,875 and increased recruiting fees of $42,853.

Other Income (Expense). Other income and expense was $68,869 of other expense for the three months ended June 30, 2011 compared to $1,031 of other expense for the three months ended June 30, 2010, an increase of expenses of $67,838. The increase was primarily attributable to an increase in interest expense of $66,794.

For the Six Months Ended June 30, 2011 and 2010

Net Revenues. We generated net revenues of $697,506 for the six months ended June 30, 2011 compared to $646,179 for the six months ended June 30, 2010. Our ProBiora3 revenues increased by $162,991 from 2010 but were off-set primarily by increased returns and allowances of $88,789 due to reserves against mass retail sales and decreases in grant revenue of $22,875 attributable to an NSF SBIR Phase II grant for the small peptide antibiotic synthesis program using our proprietary DPOLT.

Cost of Goods Sold. Cost of goods sold increased by $97,473 to $423,794 for the six months ended June 30, 2011 compared to $326,321 for the six months ended June 30, 2010. This increase was primarily attributable to increased sales of our ProBiora3 products and increased scrap expense. Cost of goods sold for the six months ended June 30, 2011 includes the production and manufacturing costs of our ProBiora3 products sold of $191,722, shipping and processing expenses of $79,927, and scrap expense related to product transition costs of $152,144.

Research and Development. Research and development expenses were $1,044,164 for the six months ended June 30, 2011 compared to $909,838 for the six months ended June 30, 2010, an increase of $134,426, or 15%. This increase in research and development expenses was primarily due to increased clinical trial costs as a result of the commencement of our second phase 1 clinical trial for our SMaRT Replacement Therapy and expenses for our weight loss product (LPT3-04) clinical trials.

Selling, General and Administrative. Selling, general and administrative expenses were $3,049,209 for the six months ended June 30, 2011 compared to $3,167,626 for the six months ended June 30, 2010 representing a decrease of $118,417 or 4%. This decrease was due to reduced consulting fees of $334,189 as a result of cost cutting actions taken in the latter half in 2010, advertising and marketing expense savings of $407,315 due to the withdrawal from the mass retail channel in the first quarter of 2011, and accounting and professional support service fee savings of $72,352. These general and administrative expense savings were partially off-set by increased salary and fringe costs of $69,911 as a result of additional staff, increased independent Board of Director compensation of $415,969 as a result of stock option grants, recruiting fees of $42,853 and increased depreciation expense of $30,949.

Other Income (Expense). Other income and expense was $112,495 of other expense for the six months ended June 30, 2011 compared to $185 of other income for the six months ended June 30, 2010, an increase of expenses of $112,680. The increase was primarily attributable to an increase in interest expense of $110,575 and a decrease in interest income of $2,158.

Liquidity and Capital Resources

Since our inception, we have funded our operations primarily through the sale of equity securities in our initial public offering, the sale of equity securities and warrants in private placements, debt financing and grants. During the six months ended June 30, 2011 and 2010, our operating activities used cash of $2,584,733 and $3,281,330, respectively. The use of cash in all periods primarily resulted from our net losses adjusted for non-cash items and changes in operating assets and liabilities. We had a working capital deficit of $673,454 and $127,518 at June 30, 2011 and December 31, 2010, respectively.

During the six months ended June 30, 2011 and 2010, our investing activities used cash of $0 and $6,198, respectively. The cash used in connection with investing activities related to purchases of equipment.

During the six months ended June 30, 2011 and 2010, our financing activities provided cash of $2,452,630 and $3,202,688, respectively. The cash provided by financing activities in the six months ended June 30, 2011 was primarily due to the release of restrictions on cash and borrowings under a convertible revolving note payable from a shareholder, partially offset by reductions in short term notes payable. The cash provided by financing activities in the six months ended June 30, 2010 was primarily due to the release of restrictions on cash, borrowings under a convertible revolving note payable from a shareholder and short term notes payable, and proceeds from issuance of common stock, partially offset by reductions in short term notes payable.

Additional details of our financing activities for the periods reflected in this report are provided below:

May 2010 Note Financing

On May 28, 2010, we entered into an unsecured promissory note with a conversion provision (the "May 2010 Note") to the KFLP pursuant to which we borrowed $1,000,000 from the KFLP. Interest on the May 2010 Note accrued at the rate of LIBOR plus 6.0% and the principal of the May 2010 Note, together with all accrued interest thereon, was due and payable the earlier of: (i) the closing date of a registered public offering of newly issued equity securities by us resulting in cash proceeds to us, other than in connection with employee option plans, or (ii) the May 24, 2011 maturity date; provided, however, that in the event we completed a subsequent private offering of equity securities prior to the May 24, 2011 maturity date, we could elect to convert the principal of the May 2010 Note into the same equity securities being sold in the private offering at the same price and terms to the KFLP.

July 2010 Financing Transaction

On July 5, 2010, we entered into a common stock purchase agreement (the "July 2010 Financing Transaction") with the KFLP. At the closing of this financing transaction on July 30, 2010 we issued 250,000 shares of our common stock to the KFLP at a price of $8.00 per share. The $2,000,000 aggregate consideration paid by the KFLP consisted of (i) $1,000,000 cash and (ii) the exchange and cancellation of the outstanding May 2010 Note issued to the KFLP on May 28, 2010. Accrued interest on the May 2010 Note through closing was waived by the KFLP.

Concurrent with the July 2010 Financing Transaction and as part thereof, we entered into an unsecured revolving credit agreement (the "Credit Facility") with the KFLP. Pursuant to the Credit Facility, we are able to borrow up to $2,000,000 from the KFLP at LIBOR plus 6.0%. The term of the Credit Facility is for 12 months commencing August 1, 2010. Our ability to draw on the Credit Facility is subject to (i) the receipt by the KFLP of a certificate of no adverse change from us in form and substance acceptable to the KFLP, (ii) the receipt by the KFLP of a revolving unsecured promissory note from us in the principal drawn down in the form attached to the Credit Facility and (iii) our compliance with the terms of the Credit Facility.

On September 13, 2010, we drew down on the Credit Facility in the amount of $1,000,000 and executed a revolving unsecured promissory note (the "September 2010 Promissory Note") for such amount in favor of the KFLP. In addition, on November 8, 2010 we drew down on the remaining $1.0 million of available funds under the Credit Facility and executed another revolving unsecured promissory note (the "November 2010 Promissory Note"). The September 2010 Promissory Note and November 2010 Promissory Note each initially matured on July 30, 2011 until the Second Amendment discussed below, which extended the maturity date to July 30, 2012.

On January 24, 2011, we entered into a First Amendment to the Credit Facility (the "First Amendment") to increase the available borrowing from $2,000,000 to $2,500,000 and simultaneously therewith we drew on the Credit Facility as amended by the First Amendment to borrow the additional $500,000 in available funds and executed another revolving unsecured promissory note (the "January 2011 Promissory Note") initially due on July 30, 2011.

On February 4, 2011, we entered into a Second Amendment (the "Second Amendment") to the Credit Facility with the KFLP. As a result of the Second Amendment, we are able to borrow up to an additional $2,500,000 from the KFLP. Future draws under the Credit Facility, as amended, are limited to $500,000 per month commencing no earlier than March 2011. Under the Second Amendment, the due date of the amounts then outstanding under the Credit Facility, (the September 2010 Promissory Note, November 2010 Promissory Note and January 2011 Promissory Note) were extended by one year from July 30, 2011 to July 30, 2012. The interest rate remained at LIBOR plus 6.0%. The Second

Amendment further provided for the automatic conversion of any amounts borrowed and outstanding under the Credit Facility into securities that we may issue in subsequent securities offerings. Any automatic conversion of amounts outstanding under the Credit Facility would be on the same terms of any such offering. In addition, the Second Amendment provides the KFLP with the right to put any undrawn available amounts under the Credit Facility, as amended, to us and thereby have a note issued to the KFLP. The KFLP can exercise its put right to the extent it desires to fully participate, through the automatic conversion provision, in any subsequent offering by us.

On each of March 15, 2011, April 5, 2011, May 5,2011, June 3, 2011, and July 8, 2011 we borrowed an additional $500,000 under the Credit Facility, as amended and executed a revolving unsecured promissory notes in such amounts that each mature on July 30, 2012.

On June 29, 2011, the Company entered into a Third Amendment (the "Third Amendment") to the Credit Facility. As a result of the Third Amendment, the Company increased its availability under the Credit Facility by $2,000,000 from $5,000,000 to $7,000,000. Future draws of the $2,000,000 in increased availability provided by the Third Amendment to the Credit Facility are limited to $1,000,000 increments beginning no earlier than August 2011 and October 2011, respectively. All other terms of the Credit Facility remained the same. On August 1, 2011, we borrowed $1,000,000 under the Credit Facility and entered into a promissory note. With these borrowings included, we have an aggregate of $6,000,000 outstanding and owed under the Credit Facility, as amended and remaining availability of $1,000,000.

Other Financings

On July 9, 2010, we entered into a non-interest bearing short-term note payable for $22,188 to finance a portion of our new enterprise resource planning system. Payments on this note began July 9, 2010 and was repaid in full at April 8, 2011.

On July 20, 2010, we entered into a short-term note payable for $63,835 with an interest rate of 5.75% to finance directors' and officers' liability insurance. Payments on this note begin on August 24, 2010 and are made evenly based upon a straight line amortization over a ten-month period with the final payment due on May 24, 2011. On July 31, 2010, we entered into a short-term note payable for $85,185 bearing interest at 7.5% to finance a portion our new enterprise resource planning system. Principal and interest payments on this note begin August 31, 2010 and are made evenly based on a straight line amortization over a 17-month period with the final payment due on December 31, 2011.

On July 31, 2010, the Company entered into a short-term note payable for $85,185 bearing interest at 7.5% to finance a portion of the new enterprise resource planning system. Principal and interest payments on this note began August 31, 2010 and are made evenly based on a straight line amortization over a 17-month period with the final payment due on December 31, 2011. At June 30, 2011 and December 31, 2010, the balance due was $31,101 and $61,060, respectively.

On March 10, 2011, we entered into a short-term notes payable for $48,988 bearing interest at 5.48% to finance product liability insurance. Payments on this note are made evenly based on a straight line amortization over a ten-month period with the final payment due on January 10, 2012.

Tax Credit

On November 1, 2010, we received notification that we were awarded federal grant funding for three of our therapeutic development programs under the Qualifying Therapeutic Discovery Project. The Qualifying Therapeutic Discovery Project, was recently enacted by Congress as part of the Patient Protection and Affordable Care Act of 2010, which was designed to provide grants or tax credits to qualified biotechnology companies that demonstrate the potential to either 1) develop new therapies to treat areas of unmet medical needs; 2) prevent, detect or treat chronic or acute diseases and conditions; 3) reduce long-term health care costs in United States; or 4) significantly advance the goal of curing cancer within the 30 year period beginning on May 21, 2010. We applied for funding on three of its programs: Prevention of Tooth Decay using Smart Replacement Therapy, Novel Antibiotics for the Treatment of Healthcare Associated Infections and Rapid and Sensitive Identification of Novel Diagnostic Biomarkers for Cancer and Infectious Diseases. We received a non-taxable cash grant award totaling $733,437 under the program. A payment of $371,219 was made to us in November 2010 and remaining grant award amount of $362,218 was received in February 2011.

Future Capital Requirements

Our capital requirements for the remainder of 2011 will depend on numerous factors, including the success of our commercialization efforts and of our research and development, the resources we devote to develop and support our technologies and the success of pursuing strategic licensing and funded product development relationships with external partners. Subject to our ability to generate revenues and cash flow from our ProBiora3 products and our ability to raise additional capital including through possible joint ventures and/or partnerships, we expect to incur substantial expenditures to further commercialize or develop each of our technologies including continued increases in costs related to research, preclinical testing and clinical studies, as well as significant costs associated with our capital raising efforts and being a public company. We will require substantial funds to conduct research and development and preclinical and Phase 1 clinical testing of our licensed, patented technologies and to develop sublicensing relationships for the Phase 2 and 3 clinical testing and manufacture and marketing of any products that are approved for commercial sale. Our plans include seeking both equity and debt financing, alliances or other partnership agreements with entities interested in our technologies, or other business transactions that would generate sufficient resources to ensure continuation of our operations and research and development programs.

In addition, the report of our independent registered public accounting firm with respect to our financial statements for the year ended December 31, 2010 appearing in our Annual Report on Form 10-K contains an explanatory paragraph stating that our operating losses and negative cash flows from operations since inception, and our need to raise additional financing and/or financial support prior to December 31, 2011 in order to continue to fund our operations, raise substantial doubt about our ability to continue as a going concern. If we are unable to raise sufficient capital we will need to significantly modify our operational plans for us to continue as a going concern.

Our current available cash and cash equivalents are insufficient to satisfy our liquidity requirements. We believe our existing cash and cash equivalents together with the borrowings under our Credit Facility, as amended and grant funds will allow us to fund our operating plan through December 2011. We will need to raise capital through the additional sale of equity or debt securities. The sale of additional equity or debt securities may result in additional dilution to our shareholders. If we raise additional funds through the issuance of debt securities or preferred stock, these securities could have rights senior to those of our common stock and could contain covenants that would restrict our operations. We also require additional capital beyond our currently forecasted amounts, such as, for example, if we determine to proceed independently with a Phase 3 clinical trial for our SMaRT Replacement Therapy. Any such required additional capital may not be available on reasonable terms, if at all. If we were unable to obtain additional financing, we may be required to reduce the scope of, delay or eliminate some or all of our planned clinical testing, research and development and commercialization activities, which could harm our business.

Because of the numerous risks and uncertainties associated with sales of our ProBiora3 products as well as research, development and commercialization of pharmaceutical products, we are unable to estimate the exact amounts of our working capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the cash flow generated from our ProBiora3 product sales;
- the number and characteristics of the product candidates we pursue;
- the scope, progress, results and costs of researching and developing our product candidates, and conducting preclinical and clinical trials;
- the timing of, and the costs involved in, obtaining regulatory approvals for our product candidates;
- the cost of commercialization activities for our ProBiora3 products and, if any of our product candidates are approved for sale, including marketing, sales and distribution costs;
- the cost of manufacturing our ProBiora3 products and product candidates and any products we successfully commercialize;
- our ability to establish strategic partnerships, licensing or other arrangements and the financial terms of such agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims, including litigation costs and the outcome of such litigation; and
- the timing, receipt and amount of sales of, or royalties on, our products and future products, if any.

Critical Accounting Estimates and Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The preparation of financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect reported amounts and related disclosures. We consider an accounting estimate to be critical if it requires assumptions to be made that were uncertain at the time the estimate was made; and changes in the estimate or different estimates that could have been made could have a material impact on our results of operations or financial condition. The principal areas of estimation reflected in the financial statements are stock-based compensation, valuation of warrants, sales returns and allowances and allowance for doubtful accounts. For a detailed discussion of our critical accounting estimates, see our Annual Report on Form 10-K for the year ended December 31, 2010. There have been no material changes to our critical accounting estimates during the six months ended June 30, 2011.

New Accounting Pronouncements

In April 2011, the FASB issued new guidance for the purpose of measuring the impairment old receivables and evaluating whether a troubled debt restructuring has occurred. An entity should disclose the total amount of receivables and the allowances for credit losses as of the end of the period of adoption related to those receivables that are newly considered impaired under ASC Section 310-10-35 for which impairment was previously measured under ASC Subtopic 450-20, *Contingencies – Loss Contingencies*. The guidance is effective for us for the interim period ending September 30, 2011. The adoption of this guidance is not expected to have an impact on our financial statements or disclosures.

In May 2011, the FASB issued new guidance that expands existing disclosure requirements for fair value measurements and makes other amendments that could change how the fair value measurement guidance is applied. The guidance is effective for us for the annual period ending December 31, 2011. The adoption of this guidance is not expected to have an impact on our financial statements or disclosures.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management's evaluation of the effectiveness of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act was performed under the supervision and with the participation of our senior management, including our Chief Executive Officer and Chief Financial Officer. The purpose of disclosure controls and procedures is to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

During 2010 and as set forth in Item 9A *Controls and Procedures* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010**,** we disclosed and identified several material weaknesses in our internal controls. Since that time we have been working on remediation of the identified material weaknesses and have provided updates in our periodic reports. Management believes progress has been made during the first half of 2011 to remediate material weaknesses in the internal control over financial reporting. However, based on the continued existence of material weaknesses, our Chief Executive Officer and Principal Financial Officer have concluded that, as of the quarter ended June 30, 2011, disclosure controls and procedures were not effective. Nevertheless, based on a number of factors, including the performance of additional procedures by management designed to ensure the reliability of our financial reporting, management believes that the financial statements in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011 fairly presented, in all material respects, our financial position, results of operations, and cash flows for the periods presented in conformity with GAAP.

As previously disclosed and referenced above, the matters involving internal controls and procedures that our management identified and considered to be material weaknesses that have not yet been satisfactorily remediated are: (1) limited documentation of our system of internal control, (2) insufficient personnel to employ segregation of duties and (3) lack of formal written policies and procedures for accounting and financial reporting with respect to the requirements and application of GAAP and SEC disclosure requirements and related documentation. These deficiencies and weaknesses were largely attributable to a lack of available financial resources.

Management's Remediation Initiatives

Although management has not fully remediated the material weaknesses mentioned above, management believes progress is being made as we continue the engagement with a consulting firm specializing in Sarbanes-Oxley Section 404 compliance to assist us in the implementation of internal controls for financial reporting and disclosure and our remediation efforts. During the first half of 2011, the consulting firm completed an analysis of the Company's first and second quarter controls and reported that of 68 reporting controls tested there were no deficiencies identified. Management will continue to test the company's business cycles and controls during 2011 to ensure adherence to policies, completeness of reporting, segregation of incompatible duties and compliance with generally accepted accounting principles; and we intend to continue to monitor and evaluate these and other factors affecting our internal controls as our resources and available liquidity permit. Until such time, our internal controls over financial reporting may be subject to additional material weaknesses and deficiencies that we have not yet identified. Management is responsible for and is committed to achieving and maintaining a strong control environment, high ethical standards, and financial reporting integrity. This commitment continues to be communicated to, and reinforced with, our employees.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Changes in Internal Controls Over Financial Reporting

Except as indicated in the preceding paragraphs about management's evaluation of disclosure controls and procedures and internal controls, our management, with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), has concluded there were no other significant changes in our internal controls over financial reporting that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Our management, including our CEO and CFO, do not expect that our disclosure controls and internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management or board override of the control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not a party to any pending legal proceeding that is not in the ordinary course of business or otherwise material to our financial condition or business.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A, subsection "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 which could materially affect our business, financial condition or future results of operations. The risks described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition and future results of operations. The specific risk factors set forth below were included in our Form 10-K Risk Factors and have been updated to provide information as of June 30, 2011. Other than as set forth below, there have been no material changes from the risk factors previously disclosed in Item 1A, subsection "Risk Factors" to Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

You should carefully consider the Risk Factors and the risks described below before making an investment decision in our securities. These risk factors are effective as of the date of this Form 10-Q and shall be deemed to be modified or superseded to the extent that a statement contained in our future filings modifies or replaces such statement. All of these risks may impair our business operations. The forward-looking statements in this Form 10-Q involve risks and uncertainties and actual results may differ materially from the results we discuss in the forward-looking statements. If any of the following risks actually occur, our business, financial condition or results of operations could be materially adversely affected. In that case, the trading price of our stock could decline, and you may lose all or part of your investment.

Risks Related to Our Business

We require additional financing to operate beyond December 2011, as well as complete the development of and to commercialize our SMaRT Replacement Therapy and MU1140-S product candidates and we do not know if additional financing will be available to us when and if needed, or, if available, on terms that we find acceptable, particularly given the current and potential future strain in the financial and credit markets.

We do not have sufficient capital to sustain our operations beyond December 2011. Our operations have required substantial capital funding since inception and we expect to continue to need substantial amounts to develop and commercialize our SMaRT Replacement Therapy and MU1140-S product candidates. We require additional funding and may be unable to raise capital on attractive terms, which would force us to significantly delay, scale back or discontinue the development or commercialization of our product candidates. Changing circumstances may cause us to use capital significantly faster than we currently anticipate, and we may incur higher expenses than currently expected because of circumstances beyond our control. If we are not able to raise additional capital and we are not generating positive cash flow from our ProBiora3 products and are unable to commercialize our product candidates, we may be unable to pursue further development of our product candidates, be forced to divest our product candidates prior to maximizing their potential value, be unable to maintain the licenses for our SMaRT Replacement Therapy and MU1140-S product candidates, or be forced to significantly scale back or cease our operations.

Other than the availability of $1,000,000, we are able to borrow under our Credit Facility with the Koski Family Limited Partnership, we have no other committed sources of capital and do not know whether additional financing will be available to us when and if needed, or, if available, that the terms will be acceptable to us, particularly if the financial and credit markets continue to be constrained.

We may seek additional financing through public or private equity offerings or through arrangements with strategic third parties. If we raise additional financing by issuing equity securities, further dilution to existing stockholders may result. In addition, as a condition to providing additional financing to us, future investors may demand, and may be granted, rights superior to those of existing stockholders. If we raise additional financing through arrangements with strategic third parties, we may be required to relinquish rights to or sell certain of our product candidates or products that we would not otherwise relinquish or sell.

We may also seek additional financing through long-term debt and lines of credit or through the issuance of debt securities. If we raise additional financing through borrowing or the issuance of debt securities, our debt service obligations may be significant. If we are unable to generate sufficient cash to meet these debt service obligations, we will need to use existing cash or liquidate assets in order to fund these obligations and to repay our debt, which could force us to delay or terminate our research, development and commercialization efforts.

We have incurred significant losses since our inception and expect to continue to experience losses for the foreseeable future.

Since our inception, we have incurred operating losses and negative cash flow from operating activities. To achieve and maintain profitability, we must successfully develop, obtain regulatory approval for, manufacture, market and sell, or license, partner or sell the rights to, one or more of the product candidates we either license or own. Furthermore, our cash burn rate and expenses have increased significantly due to our recent commercialization initiatives with our ProBiora3 products. We expect to continue to incur losses for the foreseeable future as we expand our sales and marketing capabilities for our ProBiora3 products and continue our preclinical testing, clinical trials and research and development activities.

Net losses have totaled $3,932,256 and $3,757,421 for the six months ended June 30, 2011 and 2010, respectively. We have experienced losses from operations during the last three years and have an accumulated deficit of $37,249,304 as of June 30, 2011 and $33,317,048 as of December 31, 2010. We have used cash in our operating activities of $2,584,733 and $3,281,330 for the six months ended June 30, 2011 and 2010, respectively. Our accounts payable and accrued expenses have also increased due to operational changes instituted in connection with the launch of our consumer products and in connection with our abandoned public offering. We have a working capital deficit of $673,454 as of June 30, 2011 (a deficit of $1,114,213 when the current cash reserved for DPOLT research is excluded) and $127,518 as of December 31, 2010 (a deficit of $603,175 when the current cash reserved for DPOLT research is excluded).

Our auditor has expressed substantial doubt about our ability to continue as a going concern.

In light of our recurring losses, accumulated deficit and negative cash flow, the report of our independent registered public accounting firm on our financial statements for the year ended December 31, 2010 contains an explanatory paragraph raising substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that may be necessary in the event we are unable to continue as a going concern. If we are unable to establish to the satisfaction of our independent registered public accounting firm that the net proceeds from this offering will be sufficient to allow for the removal of this going concern qualification, we may need to significantly modify our operational plans for us to continue as a going concern.

ITEM 2. UNREGISTERED SALE OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. (Reserved)

Not Applicable.

ITEM 5. OTHER INFORMATION

The disclosure set forth below is provided in lieu of a separate Form 8-K filing.

The Company previously announced that it had entered into an unsecured revolving credit agreement on July 30, 2010 (the “Credit Facility”) with the Koski Family Limited Partnership (“KFLP”), the Company’s largest shareholder. Pursuant to the Credit Facility the Company was able to borrow up to $2,000,000 from the KFLP at LIBOR plus 6.0%, subject to certain conditions precedent, including compliance with the Credit Facility. On January 24, 2011 the Company entered into a First Amendment to the Credit Facility (the “First Amendment”) to increase the available borrowing from $2,000,000 to $2,500,000 and simultaneously therewith the Company drew on the Credit Facility as

amended by the First Amendment to borrow the additional $500,000 in available funds. On February 4, 2011, the Company entered into a Second Amendment (the "Second Amendment") to the Credit Facility. Under the Second Amendment, the due date of the amounts outstanding under the Credit Facility, as amended was extended by one year from July 30, 2011 to July 30, 2012. The interest rate remained at LIBOR plus 6.0%. As a result of the Second Amendment, the Company increased its availability under the Credit Facility by an additional $2,500,000. The Credit Facility, as amended, is limited to $500,000 draws per month. The Company also previously announced that it had drawn down on the Credit Facility in March 2011, April 2011, May 2011 and June 2011, each in the amount of $500,000.

On June 29, 2011, the Company entered into a Third Amendment (the "Third Amendment") to its unsecured convertible revolving credit facility agreement with the Koski Family Limited Partnership (the "KFLP") (the "Credit Facility"). As a result of the Third Amendment, the Company increased its availability under the Credit Facility by $2,000,000 from $5,000,000 to $7,000,000. Future draws of the $2,000,000 in increased availability provided by the Third Amendment to the Credit Facility are limited to $1,000,000 increments beginning no earlier than August 2011 and October 2011, respectively. All other terms of the Credit Facility remained the same.

On July 8, 2011, Company again drew down on the existing Credit Facility, in the amount of $500,000 and executed a Revolving Unsecured Promissory Note (the "July 2011 Promissory Note") for such amount in favor of the KFLP. The Promissory Note matures on July 30, 2012.

On August 1, 2011, the Company drew down on the existing Credit Facility, in the amount of $1,000,000 as provided in the Third Amendment and executed a Revolving Unsecured Promissory Note (the "August 2011 Promissory Note") for such amount in favor of the KFLP. The Promissory Note matures on July 30, 2012.

A copy of the August 2011, Promissory Note is filed herewith as Exhibit 10.16 and is incorporated herein by reference.

With the August 2011 Promissory Note borrowing the Company currently has an aggregate of $6,000,000 outstanding and owed under the Credit Facility, as amended, and $1,000,000 of remaining availability.

ITEM 6. EXHIBITS

Incorporated by reference to Exhibits filed after signature page.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 5th day of August, 2011.

ORAGENICS, INC.

BY: /s/ John N. Bonfiglio Ph.D.
John N. Bonfiglio Ph.D., President, Chief Executive Officer and Principal Executive Officer

BY: /s/ Brian J. Bohunicky
Brian Bohunicky, Chief Financial Officer and Principal Accounting Officer

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No	Exhibit	Filing Date	
10.1	Common Stock Purchase Agreement	8-K	001-32188	10.1	7/7/10	
10.2	Revolving Credit Agreement	8-K	001-32188	10.2	8/2/10	
10.3	Revolving Unsecured Promissory Note (September)	8-K	001-32188	10.2	9/16/10	
10.4	Revolving Unsecured Promissory Note (November)	10-Q	001-32188	10.2	11/12/10	
10.5	First Amendment to the Revolving Credit Agreement	8-K	001-32188	10.2	1/28/11	
10.6	Revolving Unsecured Promissory Note (January)	8-K	001-32188	10.3	1/28/11	
10.7	2nd Amendment to the Revolving Credit Agreement	8-K	001-32188	10.1	2/8/11	
10.8	Revolving Unsecured Promissory Note (March)	8-K	001-32188	10.1	3/15/11	
10.9	Revolving Unsecured Promissory Note (April)	8-K	001-32188	10.1	4/11/11	
10.10	Revolving Unsecured Promissory Note (May)	10-Q	001-32188	10.10	5/10/11	
10.11	Revolving Unsecured Promissory Note (June)	8-K	001-32188	10.1	6/7/11	
10.12	Third Amendment to the Revolving Credit Agreement	8-K	001-32188	10.1	6/30/11	
10.13	Revolving Unsecured Promissory Note (July)	8-K	001-32188	10.1	7/12/11	
10.14	Revolving Unsecured Promissory Note (August)					X
10.15	Promissory note to Premium Assignment Corporation, dated March 10, 2011	10-Q	001-32188	10.11	5/10/11	
10.16	Executive Employment Agreement for Dr. John Bonfiglio	8-K	001-32188	10.1	5/26/11	
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14 and Rule 15d-14(a), promulgated under the Securities and Exchange Act of 1934, as amended.					X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14 and Rule 15d-14(a), promulgated under the Securities and Exchange Act of 1934, as amended.					X
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).					X
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).					X
101.INS*	XBRL Instance Document					
101.SCH*	XBRL Taxonomy Extension Schema					
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase					
101.LAB*	XBRL Taxonomy Extension Label Linkbase					
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase					
*	Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.					

Exhibit 10.14

REVOLVING UNSECURED PROMISSORY NOTE

$1,000,000 Tampa, Florida
August 1, 2011

FOR VALUE RECEIVED, ORAGENICS, INC., a Florida corporation located at 3000 Bayport Drive, Suite 685, Tampa, Florida 32607 ("Borrower"), hereby promises to pay to the order of KOSKI FAMILY LIMITED PARTNERSHIP, a Texas limited partnership having a mailing address of 3525 Turtle Creek Boulevard, Unit 19-B, Dallas, Texas 75219 ("Lender"), the sum of One Million Dollars ($1,000,000), together with interest thereon as provided herein. All sums are payable by personal delivery or by mail to Lender at the address listed above, or at such other address as Lender may designate to Borrower. This note is provided pursuant to the Revolving Credit Agreement dated July 30, 2010 as amended by the First Amendment dated January 24, 2011, the Second Amendment dated February 4, 2011 and the Third Amendment dated June 29, 2011, by and between Lender and Borrower.

1. Interest. The unpaid principal balance under this Revolving Unsecured Promissory Note ("Promissory Note") shall bear interest from the date hereof at an annual rate equal to the London Interbank Offered Rate (LIBOR) plus six percent (6%) (the "Applicable Rate"). The Applicable Rate shall be adjusted quarterly on the first day of each calendar quarter while any principal balance hereunder remains unpaid, based on the LIBOR in effect on the business day immediately preceding such adjustment date.

2. Payment of Principal and Interest. The principal of this Promissory Note, together with all accrued interest thereon, shall be due and payable on July 30, 2012. Any portion of the principal of this Promissory Note may be prepaid, together with the accrued interest with respect to such principal payment, prior to maturity, without penalty. Any payment made under this Promissory Note shall be applied first to accrued interest and then to principal. Payment of principal and interest shall be made in such coin or currency of the United States of America that, at the time of payment, constitutes legal tender for the payment of public and private debt.

3. Events of Default. The occurrence of any of the following events shall constitute an "Event of Default":

   (a) the failure of Borrower to pay all or any portion of the principal and interest due and payable under this Promissory Note and such failure continues for five (5) business days after the Lender notifies Borrower in writing of such failure;

   (b) the filing against Borrower of an involuntary petition or other pleading seeking the entry of a decree or order for relief under the United States Bankruptcy Code or any similar federal or state insolvency or other similar law ordering: (i) the liquidation of Borrower, (ii) a reorganization of Borrower or the business and affairs of Borrower, or (iii) the appointment of a receiver, liquidator, assignee, custodian, trustee or similar official for Borrower or the property of Borrower, and the failure to have such petition or other pleading denied or dismissed within thirty (30) days from the date of filing;

   (c) the commencement by Borrower of a voluntary case under the United States Bankruptcy Code or any similar federal or state insolvency or other similar law, (ii) the consent by Borrower to the appointment or taking possession by a receiver, liquidator, assignee, trustee, custodian or similar official for Borrower or any of the property of Borrower, or (iii) the making by Borrower of an assignment for the benefit of creditors.

   (d) the breach of any term of any of the Loan Documents as defined in that Revolving Credit Agreement of July 30, 2010 by and between Borrower and Lender.

4. Rights and Remedies Upon Default. Upon the occurrence of an Event of Default, the principal and all accrued but unpaid interest due under this Promissory Note shall, at the option of Lender, become immediately due and payable and may be collected forthwith without notice to Borrower, regardless of the stipulated date of maturity and, in that event, Borrower promises to pay, in addition to the unpaid principal and interest hereunder, all costs, including reasonable attorneys' fees, paralegals' fees and

expenses for any primary, appellate, bankruptcy and post-judgment proceedings, that Lender may incur or be put to in the collection of such amounts. Any overdue payment of principal or interest due under this Promissory Note shall bear interest from the due date at twelve percent (12%) per annum.

5. Waiver. Borrower hereby waives protest, demand, presentment and notice of dishonor, notice of the maturity, nonpayment, and all requirements necessary to hold it liable as the maker of this Promissory Note, and agrees that this Promissory Note may be extended in whole or in part without limit as to the number of such extensions or the period or periods thereof, and without notice to it and without affecting its liability hereunder. Failure to accelerate the debt in the event of any default hereunder, or other indulgence granted from time to time, shall not be construed as a novation of this Promissory Note or a waiver of the right of Lender to thereafter insist upon strict compliance with the terms of this Promissory Note without previous written notice of such intention being given to Borrower.

6. Compliance With Usury Laws. All agreements between Borrower and Lender are hereby expressly limited so that in no event shall the amount paid or agreed to be paid to Lender for the use, forbearance, or detention of the money loaned under this Promissory Note exceed the maximum amount permissible under the laws of the State of Florida. If, at the time of any interest payment, the payment amount due under this Promissory Note is in excess of the legal limit, the obligation shall be reduced to the legal limit. If Borrower should ever receive, as interest, an amount that exceeds the highest lawful rate, the amount that would be excessive as interest shall be applied to the reduction of the principal amount owing under this Promissory Note, and not to the payment of interest.

7. Waiver of Jury Trial. BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH, THIS PROMISSORY NOTE AND ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY.

8. Choice of Law; Venue. The laws of the State of Florida, excluding its choice of law provisions if such laws would result in the application of laws other than the laws of the State of Florida, shall govern any disputes with respect to this Promissory Note, the validity of this Promissory Note, the construction of its terms, and the interpretation of the rights and duties of Borrower and Lender hereunder. The forum selected for any proceeding or suit related to a dispute between Borrower and Lender related to this Promissory Note shall be in a federal or state court of competent jurisdiction located in Hillsborough County, Florida. Borrower consents to said courts' personal jurisdiction over it and waives any defense, whether asserted by motion or pleading, that Hillsborough County, Florida is an improper or inconvenient venue.

9. Notice. Any notice, demand or other communication to Borrower that is permitted or required hereunder shall be given in writing, and shall be deemed to have been duly delivered (i) when delivered by personal delivery, (ii) three (3) days after being deposited with the United States Postal Service for mailing by first class mail, postage prepaid, certified mail, with return receipt requested (regardless of whether the return receipt is subsequently received), or (iii) one business day after being deposited with a nationally recognized courier service for overnight delivery; and in each case addressed by Lender to Borrower at the address for Borrower first listed above, or to such other address as Borrower may notify Lender in writing in conformity with the provisions of this Section.

10. Documentary Stamp Taxes. Borrower shall pay all documentary stamp taxes due on the obligation evidenced by this Promissory Note.

11. Assignment. Lender may assign all or any portion of this Promissory Note and Lender's rights thereunder.

12. Binding Effect. This Promissory Note shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

13. Computation of Time. Whenever the last day for payment of any amount due hereunder shall fall upon Saturday, Sunday or any public or legal holiday, whether federal or of the State of Florida, Borrower shall have until 5:00 p.m. on the next succeeding regular business day to make such payment.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note on the date indicated below.

ORAGENICS, INC.

By: /s/ Brian Bohunicky
Name: Brian Bohunicky
Title: Chief Financial Officer
Date: August 1, 2011

Exhibit 31.1

CERTIFICATION

I, John N. Bonfiglio Ph.D., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oragenics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2011

/s/ John N. Bonfiglio Ph.D.

John N. Bonfiglio Ph.D., President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Brian J. Bohunicky, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oragenics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2011

/s/ Brian J. Bohunicky

Brian J. Bohunicky, Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Oragenics, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John N. Bonfiglio Ph.D., President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written certification has been provided to the company and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated this 5th day of August, 2011.

/s/ John N. Bonfiglio Ph.D.
John N. Bonfiglio Ph.D.
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Oragenics, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian J. Bohunicky, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written certification has been provided to the company and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated this 5th day of August, 2011.

/s/ Brian J. Bohunicky
Brian J. Bohunicky
Chief Financial Officer